

Chesterfield County Planning Department
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Chesterfield County Housing Report 2018



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EXECUTIVE SUMMARY

In Chesterfield County, residential land use accounts for 42 percent of the total land acres. Most housing units in Chesterfield County are detached single-family. Single-family homes are dispersed throughout the entire county, but townhomes, multifamily, condos and manufactured homes are concentrated along major corridors. Most of the county's existing housing stock is 25 years or older, which qualifies for the Department of Real Estate Assessment's incentive program for rehabilitation of aging residential properties.

Chesterfield County has a strong housing market and continues to lead the Richmond region in sales growth and new home construction. Residential growth peaked in the mid-1980s with permits primarily for single-family development. Building permits were at their lowest point following the Great Recession in 2008 and still have not increased to match previous years. In 2008, multifamily permits were the majority of all residential building permits for the first time.

Most Chesterfield County housing units are owner-occupied, but there has been an increase in the share of renter households. Approximately a quarter of owner-occupied units are cost-burdened while nearly half of all renter-occupied units are cost-burdened meaning that the occupants pay more than 30 percent of their income on housing. Cost burden is a measure to determine the lack of affordable housing. The Department of Housing and Urban Development, HUD, provides data on housing affordability in the form of fair market rents and income limits. The data shows that a disconnect exists between household earnings and housing costs.

METHODOLOGY

Several sources were used to provide data for this report. The analysis of Chesterfield County's existing housing stock and residential growth comes from Chesterfield County's Development Potential Database 2016. This database is updated annually by the Chesterfield County Planning Department in order to track growth and project future potential development. The housing market data comes from Central Virginia Multiple Listing Service and Integra Realty Resources Richmond. The data on household tenure and costs is from the 2011-2015 American Community Survey created by the U.S. Census Bureau. Lastly, the section on affordability provides data from HUD regarding FY 2017 income limits and fair market rents. The National Low Income Housing Coalition further analyzes HUD data to provide analysis on the income a household would need to earn to afford housing at fair market rent levels. Definitions regarding terms from the U.S. Census Bureau or HUD can be found in [Census and HUD Definitions](#) at the end of this document.

For questions or more information, please contact Catherine Bray, Senior Planner/Demographer with the Chesterfield County Planning Department, at (804)-717-6397 or braycl@chesterfield.gov

HOUSING STOCK

The following data is from the Chesterfield County Development Potential Database 2017. There were 134,453 residential units as of December 31, 2017. Residential land use accounts for 44 percent of the total land acres in the county, which is a two percent increase over the previous year. As seen in [Figure 1](#), most housing in Chesterfield County is single-family. The following sections break down details by housing type.

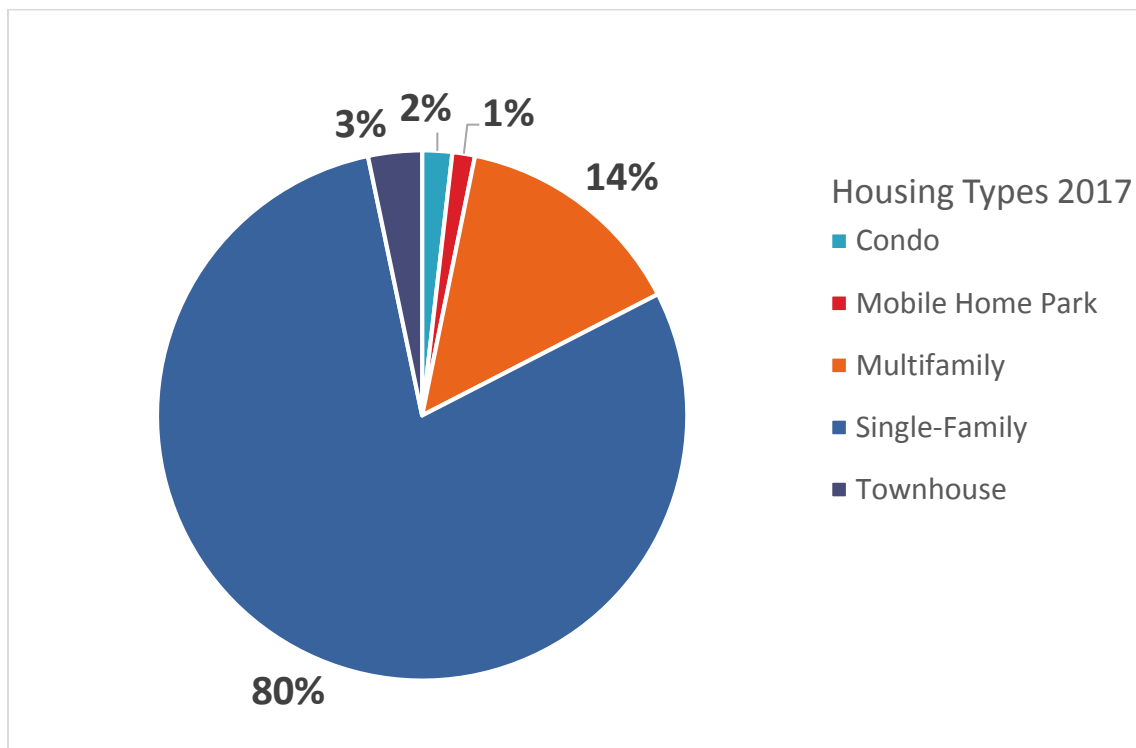


Figure 1: Percent Residential Units by Type

Single-family residential development is seen throughout most of the county. Please refer to [Figure 2](#) on page 5. Townhomes, multifamily, condos and manufactured homes tend to be concentrated near major corridors such as:

- Route 60 – Midlothian Turnpike
- Route 360 – Hull Street Road
- Route 288 – World War II Veterans Memorial Highway
- Route 10 – Iron Bridge Road
- Route 76 – Powhite Parkway
- Route 150 – Chippenham Parkway

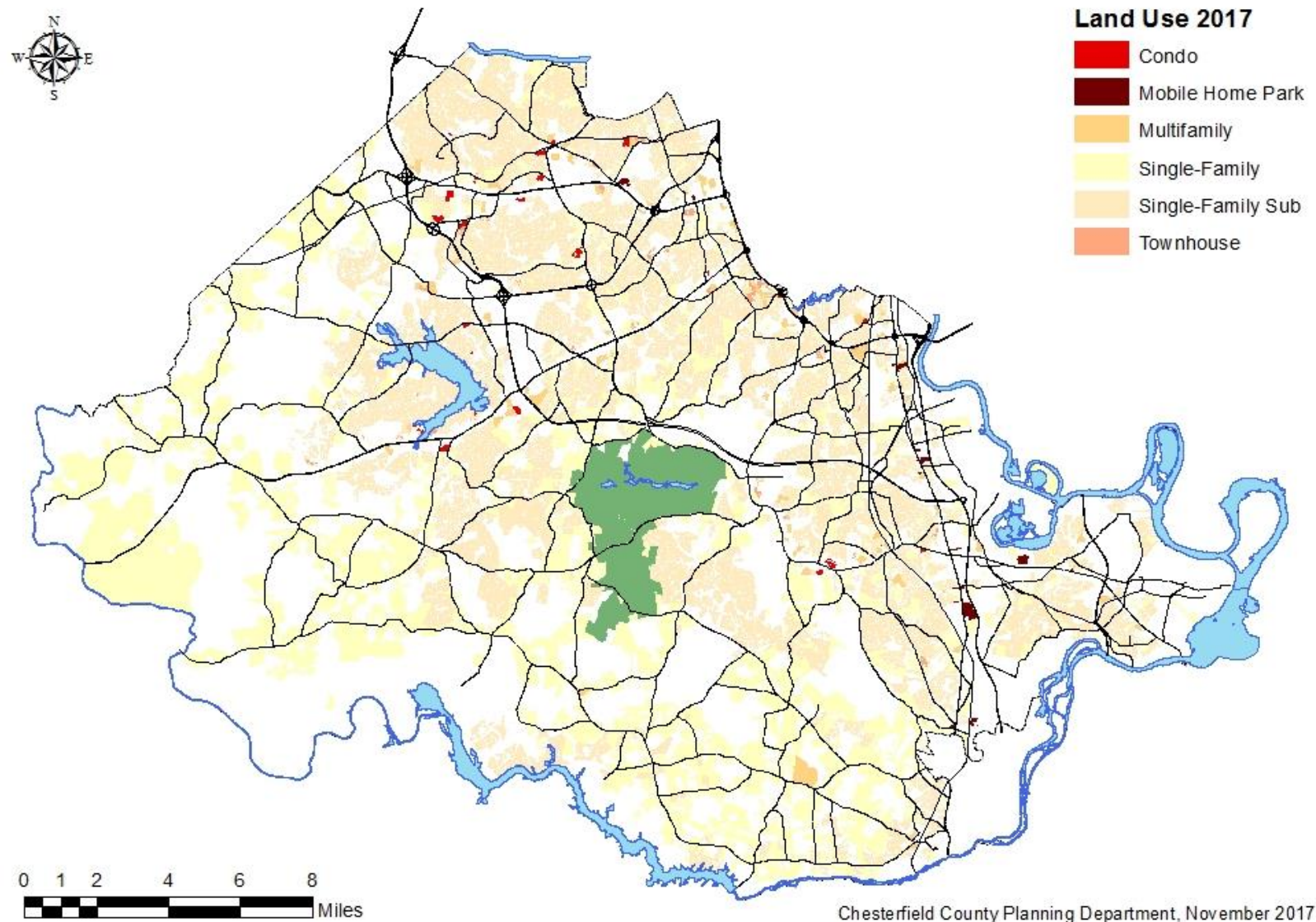


Figure 2: Housing Types and Location

SINGLE-FAMILY

This group includes all single-family homes that are within subdivisions as well as those on individual lots. Most single-family units are in subdivisions throughout the county while large individual lots can be found in more rural areas.

2017 Quick Facts:

- **Number of Units:** 106,413
 - 79 percent of stock
- **Average size:** 2,094 square feet
- **Average assessed value:** \$252,388
- **New Construction:**
 - Average size: 2,934 square feet
 - Average assessed value: \$375,369
- Half of all housing units in the county were built prior to 1990 and are approaching 20 years old or older.

TOWNHOMES

Most townhouse development is along major corridors, particularly Hull Street Road.

2017 Quick Facts:

- **Number of Units:** 4,453
 - 3 percent of stock
- **Average size:** 1,389 square feet
- **Average assessed value:** \$162,700
- **New Construction:**
 - Average size: 1,389 square feet
 - Average assessed value: \$226,500
- Around half of all townhomes are 25 years or older.

APARTMENTS

The vast majority of apartments are located along major corridors such as Chippenham Parkway, Iron Bridge Road, Hull Street Road and Midlothian Turnpike.

2017 Quick Facts:

- **Number of Units:** 19,330
 - 14 percent of stock
- **Median Rent:** \$1,180
- More than half of all apartment units are 25 years or older.

CONDOS

Most condominium developments are in the northwestern parts of the county. This housing type makes up a large supply of age-targeted communities and offers smaller, single-story living opportunities with little to no exterior maintenance required, which may appeal to individuals who want to age in their community.

2017 Quick Facts:

- **Number of Units:** 2,483
 - 2 percent of stock
- **Average size:** 1,413 square feet
- **Average assessed value:** \$183,900
- **New Construction:**
 - Average size: 1,795 square feet
 - Average assessed value: \$226,000
- 40 percent of condominium units are 25 years or older.

MANUFACTURED HOMES

The term manufactured homes is used to collectively describe trailers and mobile homes. Most of these homes are in parks along the Jefferson Davis Corridor where residents lease the land and either rent or own the unit. National and regional experts have recognized that manufactured homes are an important part of the housing spectrum and have been noted as the largest source of unsubsidized affordable housing across the nation.

2015 Quick Facts:

- **Number of Units:** 1,864 (1 percent of stock)
- Decrease of around a quarter total units since 2001
 - Only housing type to shrink due to closure or redevelopment of parks

Most communities lack information on the size, value and age of units due to manufactured homes being titled as chattel, or personal property, and not real estate. The homeowner must also own the land under the unit to convert the title to real estate.

HOUSING STOCK AGE

The aging housing units in Chesterfield may require some reinvestment to maintain quality. ease refer to [Figure 3](#). Half of all housing units in the county were built prior to 1990 and are approaching 20 years old or older. The median owner-occupied housing value is \$224,200, compared to \$255,800 for Virginia. One-third of all units in Chesterfield County were built before 1979. About forty percent were built between 1980 and 2000. Finally, thirty percent of units were built between 2000 and 2017. The

slowdown in development post-recession is also having a significant impact on unit availability and housing costs. Additionally, 52 percent or 6,500 apartment units were built before 1980, indicating that this supply of aging housing stock may require reinvestment.

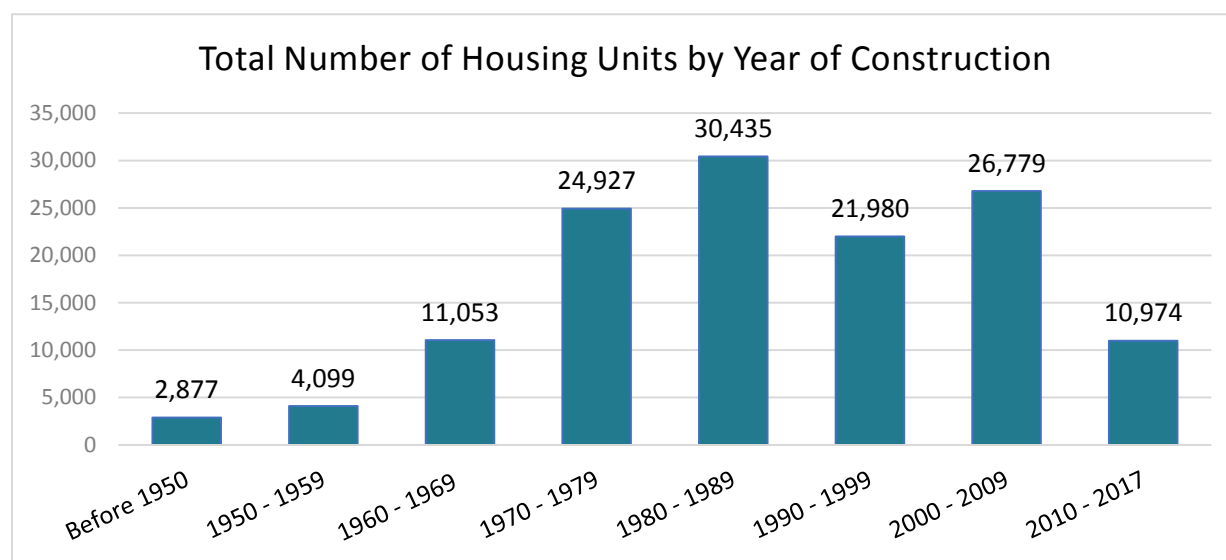


Figure 3: Units by Year of Construction

HOUSING MARKET TRENDS

Chesterfield County has a strong housing market and continues to lead the Richmond region in sales growth and new home construction. The Richmond Association of Realtors reported that the region's housing market has also continued to strengthen. The number of total home sales increased, most of which were single-family home resales.

In Quarter Four of 2017, the Home Building Association of Richmond reported that Chesterfield County had the largest share of new home sales in the region, accounting for 37 percent of the regional market. Please refer to [Figure 4](#). Between 2016 and 2017, the number of new home sales and the average new sale price increased. Overall, homes are currently selling faster and the inventory of active listings continues to fall to historically low levels. These trends indicate a robust market with high demand and tight supply, but they also contribute to challenges for many individuals seeking affordable homeownership opportunities.

Housing Market	2016	2017	Change
All Home Sales	5,945	6,339	6.6%
Median Sales Price	\$224,500	\$245,000	4.4%
Average Sales Price	\$270,463	\$275,699	2.0%
New Home Sales	1,286	1,552	21%
Average Sales Price	\$393,605	\$382,975	1%

Figure 4: Housing Market Trends

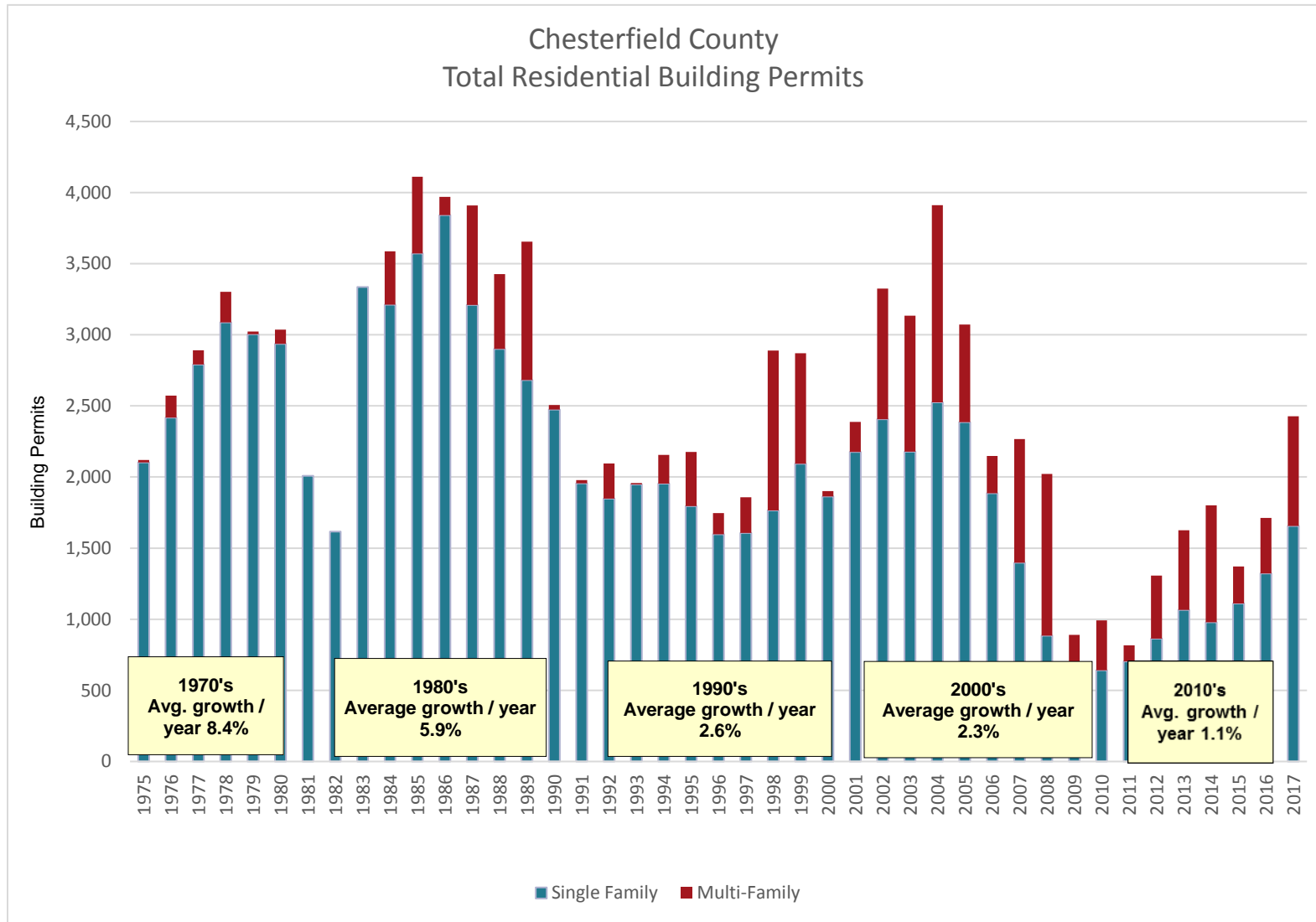
RESIDENTIAL GROWTH

Figure shows the trends of residential building permits from 1975 to 2017. This graph shows the number of building permits for single-family and multifamily development each year. In 2017, there were 1,656 single-family and townhouse permits and 771 multifamily permits issued, which is an increase in overall building permits compared to 2016.

Residential building permits were at their peak in the mid-1980s with a decline in the 1990s. The number of permits experienced an increase in the 2000s until the Great Recession occurred in 2008. Building permits were at their lowest point following 2008 and still have not increased to match pre-recession years. Since 2010, the average growth of permits per year is around 1.2 percent whereas between 2000 and 2010 the average growth per year was 2.3 percent.

Throughout most of 1970s, '80s and '90s, single-family permits were the majority of all residential building permits. In certain years, there were no multifamily permits whatsoever. Multifamily permits began to show an increase in the late 1990s and mid-2000s. In 2008, multifamily permits were the majority of all residential building permits for the first time. In 2014, multifamily permits made up nearly half of all residential building permits, but single-family permits returned to being the majority in 2015, 2016, and 2017.

Figure 5: Residential Building Permits 1975-2016



HOUSEHOLD TENURE & COSTS

As of December 31, 2017, about three-quarters of households are occupied by owners while the rest are renter-occupied. Since 2000, the percentage of renter households has grown. When adjusting for inflation, the median value of owner-occupied units increased 26 percent while the median monthly cost for renters increased by 10 percent.

Household Tenure & Costs	Owner		Renter	
	2000	2017	2000	2017
Percent of Total Households	81%	76%	19%	24%
Median Value/ Monthly Rent	\$171,432	\$224,200	\$1,020	\$1,180

Figure 6: Household Tenure & Costs 2000-2015

The average homeownership rate between 2009 and 2016 in Chesterfield is 77%, though it has declined slightly during that period. This exceeds both the national and state average homeownership rates by 12% and 10% respectively. Refer to [Figure 7](#). In 2016, the US homeownership rate fell to its lowest level since the Census Bureau began tracking in 1965. Similarly, the Virginia homeownership rate is lower than Chesterfield's and continues to decline. Chesterfield's rate of homeownership is significantly higher than both the state and the nation.

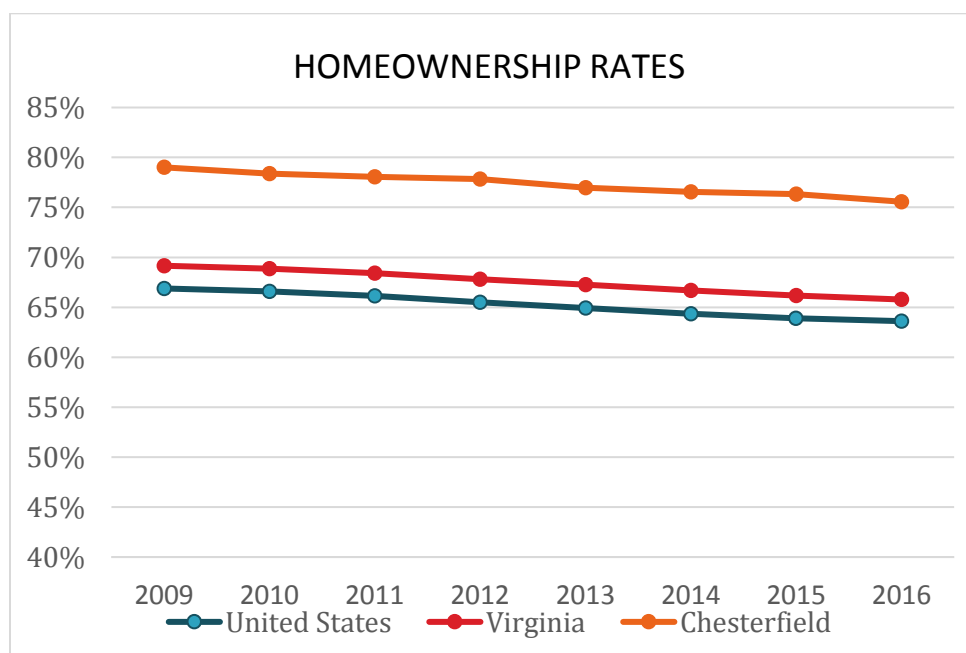


Figure 7: Homeownership Rates, 2009 - 2016

The eight-year average of homeownership rates for all age groups in Chesterfield is 77%, compared to a national average of 65% and a state average of 68%.

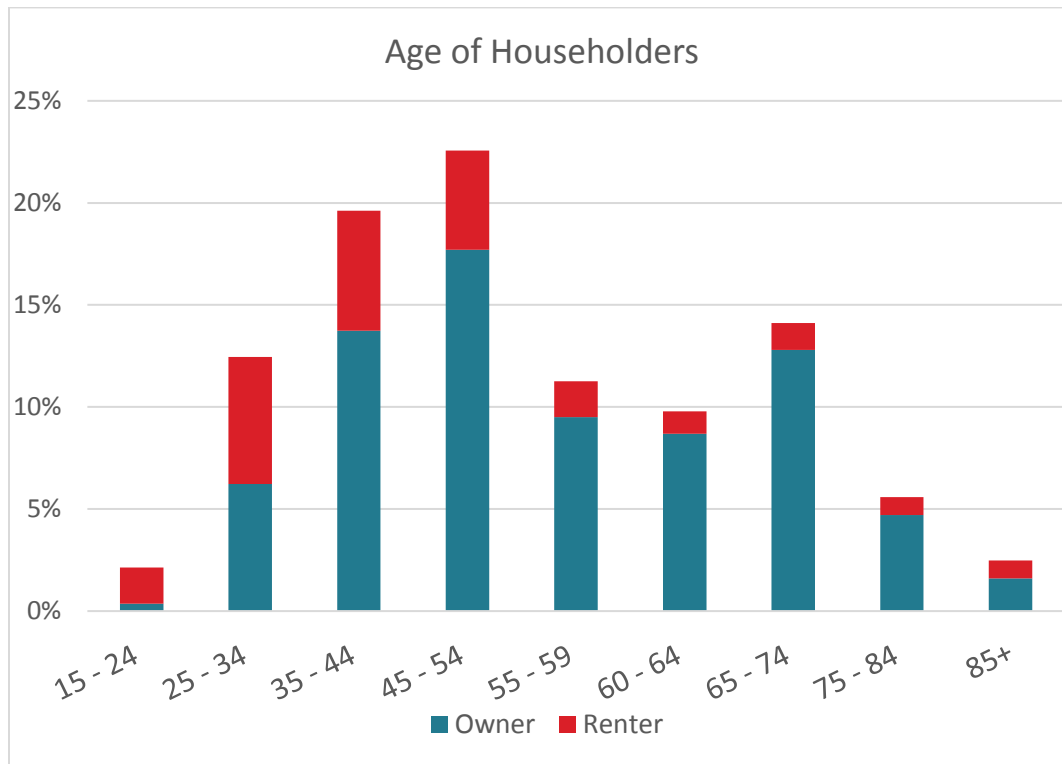


Figure 8: Age of Householder (Percent)

The young adult homeownership rate, evaluated for the all householders under 35, is 45% compared to 33% nationally (**Figure 8**).

Nearly half of owned homes belong to aging residents over 55. These aging residents may need physically accessible and well-located homes to continue aging in place.

AFFORDABILITY

According to HUD, housing is considered affordable when 30 percent or less of a household's income is spent on housing costs including utilities. Cost-burdened homes are those spending more than 30 percent of their income on housing costs. An increasing gap between housing costs and household income has created barriers to affordable housing opportunities across the nation and is being seen in the Richmond region and Chesterfield County.

HUD INCOME LIMITS AND FAIR MARKET RENT

Figure shows HUD income limits for Chesterfield County for fiscal year 2017, which are used to determine an applicant's eligibility for assisted housing programs. The area median family income for Chesterfield

County is \$78,700. Extremely low income indicates that a person or family is at 30 percent of the area median family income. HUD breaks down income limit categories by income and number of people.

FY 2018 HUD Income Limits - Chesterfield County: Area Median Family Income 83,200

Income Limit	1 person	2	3	4	5	6	7	8
Extremely (30%)	17,500	20,000	22,500	25,100	29,420	33,740	38,060	42,380
Very low (50%)	29,150	33,300	37,450	41,600	44,950	48,300	51,600	54,950
Low (80%)	46,600	53,250	59,900	66,550	71,900	77,200	82,550	87,850

Figure 9: FY 2017 HUD Income Limits

Figure 10 shows the fair market rent for Chesterfield County. In addition, the annual income needed to afford the various rental units is provided. The median household income of renter-occupied units is \$48,257 meaning only a two-bedroom rental or less at fair market rent would be affordable.

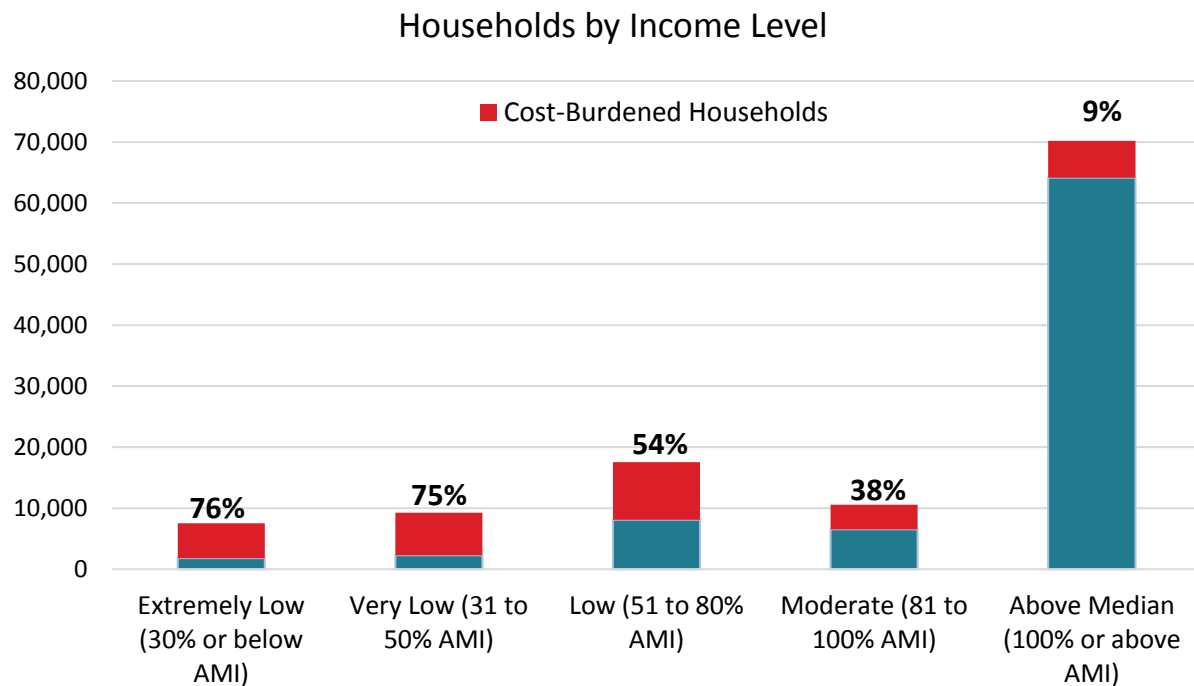
Rental Size	Fair Market Rent	Annual Income Needed to Afford
Efficiency	\$864	\$34,560
One-Bedroom	\$907	\$36,280
Two-Bedroom	\$1,042	\$41,680
Three-Bedroom	\$1,386	\$55,440
Four-Bedroom	\$1,684	\$67,360

Figure 10: FY 2017 Fair Market Rent

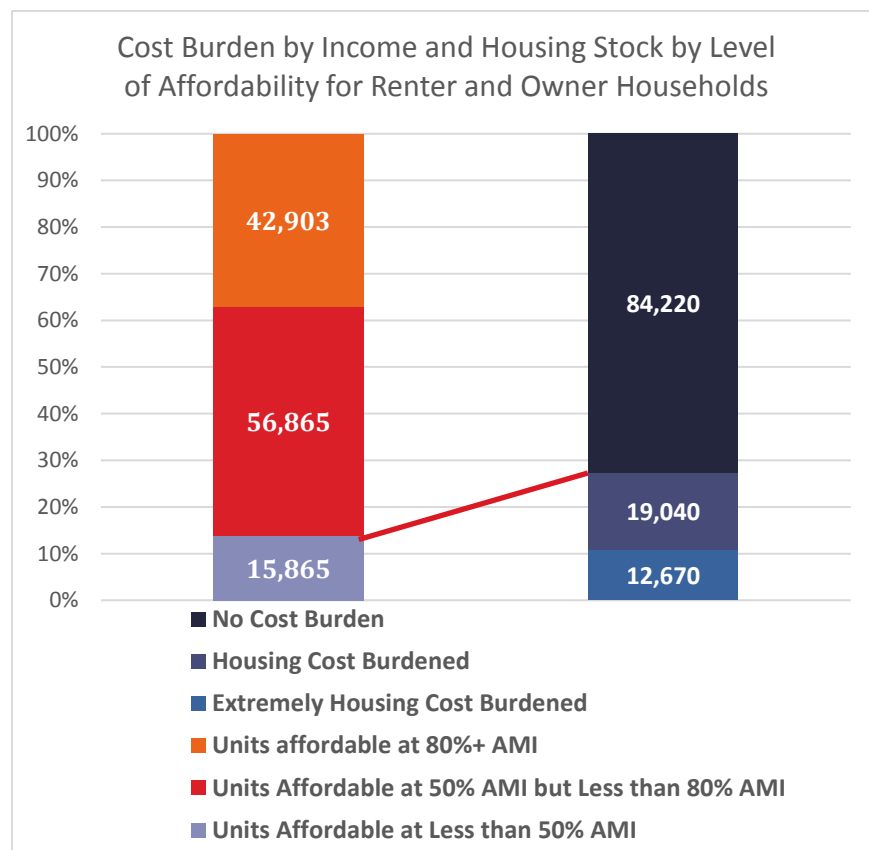
According to the National Low Income Housing Coalition's Out of Reach 2018, Virginia is ranked twelfth on a list of the most unaffordable states in the U.S. for renters. At the average wage for renters in Chesterfield, a person earning minimum wage would have to work at least 1.4 full-time jobs or 56 hours a week to afford a two-bedroom apartment at fair market rent.

COST-BURDEN BY HOUSEHOLD INCOME

Since 2000, the number of cost-burdened households has nearly doubled, impacting owners and renters across all income levels. The graph below provides a breakdown of households at various income levels to display the range of affordability needs. Many county households have incomes above the area median income, but for those below the median there are much higher rates of cost burden indicating a lack of affordable housing for lower income households (**Figure 11**).

Figure 11: Cost-Burdened Households by Income

Please refer to **Figure 12**. As depicted in the graph to the right, there are nearly 57,000 units affordable to those making 50 to 80% of Area Median Income, which is around \$63,000 for the region. However, there are 15,865 affordable units for the 31,710 very and extremely cost-burdened households in the county, indicating that Chesterfield has approximately half of the needed affordable units for the cost-burdened population. Affordable units may include subsidized units but more frequently are low-cost options available on the private market.

**Figure 12: Cost Burden and Housing Stock Availability**

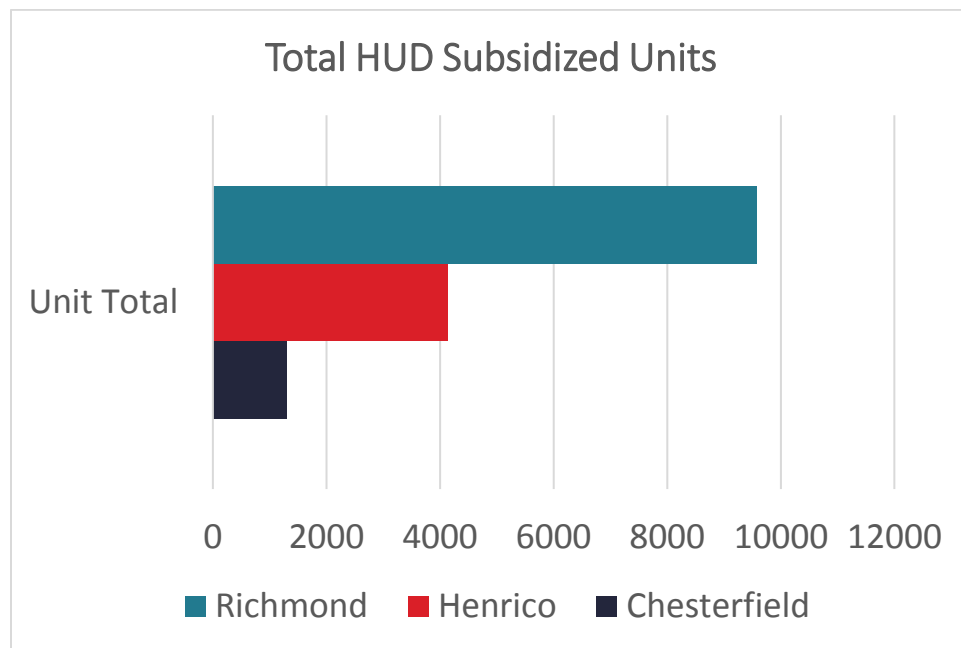


Figure 13: Total HUD Subsidized Units

The affordable housing stock available on the private market in Chesterfield is supplemented with few HUD subsidized units when compared with Richmond and Henrico county. Refer to [Figure 13](#). While the housing supply meets the needs of the population with moderate to slightly below-moderate income, the demand for subsidized housing for the nearly 13,000 extremely low-income population is limited.

There are 17,905 individuals in Chesterfield technically qualifying as extremely low income or low income. There are currently around 1,160 Housing Choice Vouchers in use in the county and an additional 140 project-based vouchers.

CENSUS AND HUD DEFINITIONS

The following definitions are from the U.S. Census Bureau and HUD's glossaries, which can be found at <http://factfinder.census.gov/help/en/index.htm#glossary.htm> OR <http://www.huduser.org/portal/glossary/glossary.html>

Cost-Burdened – Housing for which the occupant(s) is/are paying more than 30 percent of income for gross housing costs, including utilities.

Fair Market Rent – Primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program, and to serve as a rent ceiling in the HOME rental assistance program.

Household – A household includes all the people who occupy a housing unit as their usual place of residence.

Household Income – This includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not.

Income Limit – Determines the eligibility of applicants for HUD's assisted housing programs. The major active assisted housing programs are the Public Housing program, the [Section 8](#) Housing Assistance Payments program, [Section 202](#) housing for the elderly, and Section 811 housing for persons with disabilities.

Median Income –The median income divides the income distribution into two equal groups, one having incomes above the median, and other having incomes below the median.

Median Monthly Housing Costs –Monthly housing costs are developed from a distribution of "Selected Monthly Owner Costs" for owner-occupied units and "Gross Rent" for renter-occupied units.

Owner-occupied – A housing unit is owner occupied if the owner or co-owner lives in the unit even if it is mortgaged or not fully paid for.

Renter-occupied – All occupied units which are not owner occupied, whether they are rented for cash rent or occupied without payment of cash rent, are classified as renter-occupied.